

ASSEMBLY BILL

No. 892

Introduced by Assembly Member Furutani

February 26, 2009

An act to amend Section 39626.5 of the Health and Safety Code, relating to air pollution, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 892, as introduced, Furutani. Goods Movement Emission Reduction Program.

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of general obligation bonds for various transportation-related purposes, including reducing emissions and improving air quality in trade corridors. The State Air Resources Board is required to allocate the funds to be used for air quality purposes pursuant to specified requirements. No project can be funded unless the project is sponsored by an applicant, as defined. Returned funds or unspent funds from obligated contracts received by the applicant prior to the end of a requirement to liquidate funds within 4 years of the date of the award of a contract between the applicant and a contractor revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

This bill would authorize the applicant to reallocate these funds to backup projects covered by the same grant agreement, or these funds revert to the state board for reallocation consistent with guidelines to be developed by the state board. Funds reallocated either by the applicant

or the state board must be liquidated within 4 years of the date of the award of the original contract, or the funds revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39626.5 of the Health and Safety Code
2 is amended to read:
3 39626.5. (a) A project shall not be funded pursuant to this
4 chapter unless both of the following requirements are met:
5 (1) The project is sponsored by an applicant.
6 (2) The project is consistent with any comprehensive local or
7 regional plans or strategies to reduce emissions from goods
8 movement activities in its jurisdiction.
9 (b) Notwithstanding Section 16304.1 of the Government Code,
10 an applicant receiving funds pursuant to this chapter shall have up
11 to two years from the date that the funds are allocated to the
12 applicant to award the contract for implementation of the project,
13 or the funds shall revert to the California Ports Infrastructure,
14 Security, and Air Quality Improvement Account for allocation as
15 provided in paragraph (2) of subdivision (c) of Section 8879.23
16 of the Government Code upon appropriation by the Legislature.
17 Funds not liquidated within four years of the date of the award of
18 the contract between the applicant and the contractor shall revert
19 to the California Ports Infrastructure, Security, and Air Quality
20 Improvement Account for allocation as provided in paragraph (2)
21 of subdivision (c) of Section 8879.23 of the Government Code
22 upon appropriation by the Legislature. Returned funds or unspent
23 funds from obligated contracts received by the applicant prior to
24 the end of the *four-year* liquidation period *may be reallocated by*
25 *the applicant to fund other projects listed in the same contract*
26 *award, or shall be returned to the state board for reallocation by*
27 *the state board pursuant to guidelines developed and adopted by*
28 *the state board through a public process. These guidelines shall*
29 *give first priority to projects that are both in the same emission*
30 *source category and in the same trade corridor as the original*
31 *project, and second priority to projects that are only in the same*

1 *trade corridor as the original project. All funds reallocated either*
2 *by the applicant or the state board shall be liquidated within four*
3 *years of the date of the award of the original contract. Funds not*
4 *liquidated within these four years shall revert to the California*
5 *Ports Infrastructure, Security, and Air Quality Improvement*
6 *Account for allocation provided in paragraph (2) of subdivision*
7 *(c) of Section 8879.23 of the Government Code upon appropriation*
8 *by the Legislature.*

9 (c) Of the amount appropriated in Item 3900–001–6054 of the
10 Budget Act of 2007, not more than twenty-five million dollars
11 (\$25,000,000) shall be available to the state board for the purpose
12 of executing grant agreements directly with ports, railroads, or
13 local air districts for eligible projects to achieve the earliest possible
14 health risk reduction from the emission sources identified in
15 subdivision (c) of Section 39625.1. It is the intent of the Legislature
16 that funds allocated pursuant to this subdivision be distributed
17 pursuant to the guidelines adopted by the state board under Section
18 39626, and that the *state* board provide sufficient opportunity for
19 the public to review and comment on any projects proposed to be
20 funded pursuant to this subdivision.